



April 29, 2010

RECEIVED
2010 APR 30 PM 3:12
SUPERFUND DIV.
REMEDIAL BRANCH
(6SF-R)
N. TOBIAS SMITH
214.651.4611
Direct Fax: 214.659.4173
tobias.smith@strasburger.com

VIA EMAIL & HAND DELIVERY

Ms. Barbara A. Nann, Assistant Regional Counsel
U.S. Environmental Protection Agency, Region 6
Superfund Division (6RC-S)
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202-2733

Mr. Gary G. Miller, Remedial Project Manager
U.S. Environmental Protection Agency, Region 6
Superfund Division (6SF-AP)
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202-2733

RECEIVED
2010 MAY -3 PM 3:12
SUPERFUND DIV.
REMEDIAL BRANCH
(6SF-R)

**Re: Chromalloy American Corporation's Financial Assurance to Perform
RI/FS Work at the Gulfco Marine Maintenance Site, Freeport, Texas**

Dear Ms. Nann and Mr. Miller:

Pursuant to Section XXIII, Paragraph 83 of the Amended Unilateral Administrative Order for Remedial Investigation/Feasibility Study ("UAO") for the above-referenced Site, Sequa Corporation on behalf of its subsidiary Chromalloy American Corporation ("Chromalloy"), one of the Respondents in the UAO, is submitting the enclosed documentation to satisfy its obligation to demonstrate it has sufficient assets available to perform the Work under the UAO and fund its current share of the costs of such Work.

Attached is a copy of Chromalloy's existing Performance Bond, which is valid until July 10, 2010. Also attached is Chromalloy's directive that the bond be extended, in amount and duration, for \$210,000 and to July 10, 2011.



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Strasburger & Price, LLP

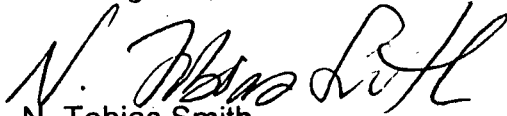
901 Main Street, Suite 4400 • Dallas, Texas 75202.3794 • 214.651.4300 tel • 214.651.4330 fax • www.strasburger.com
3062596.1/SP/73364/0238/042910

Austin • Collin County • Dallas • Houston • San Antonio • Washington D.C.

Strasburger & Price, SC - Mexico City

Should you have any questions, please do not hesitate to contact me directly.

Best regards,



N. Tobias Smith

Enclosures

cc: William Mahley – Via Email
Ray Merrell – Via Email

**PERFORMANCE BOND
Annual Form**

**International Fidelity Insurance Company
One Newark Center 20th floor
Newark, NJ 07102**

Bond No. 0494747

KNOW ALL BY THESE PRESENTS, That we Chromalloy Gas Turbine Corporation as Principal, and **International Fidelity Insurance Company**, of Newark, New Jersey, authorized to do business in the State of NY, as Surety, are held and firmly bound unto US Environmental Protection Agency, as Oblige, in the maximum penal sum of One Hundred Fifty Thousand 00/100 Dollars (\$150,000.00), lawful money of the United States of America, for which payment well and truly to be made we bind ourselves, our heirs, executors and assigns, jointly and severally, firmly by this Bond.

WHEREAS, the Principal has entered, or is about to enter, into a written agreement with the Oblige to perform in accordance with the terms and conditions of the Environmental Protection of Site data Summaries & Recommended Remediation Activities, (hereinafter referred to as the Contract) said Contract is hereby referred to and made a part hereof;

NOW, THEREFORE, the condition of this obligation is such that if the above mentioned Principal, its successors and assigns, shall well and truly perform its obligations as set forth in the above mentioned Contract, then this Bond shall be void; otherwise to remain in full force and effect pursuant to its terms.

Notwithstanding anything to the contrary in the Contract, the Bond is subject to the following express conditions:

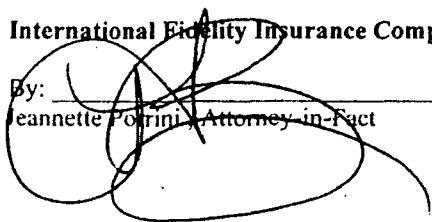
1. Whereas, the Oblige has agreed to accept this Bond, this Bond shall be effective for the definite period of 7/10/2009 to 7/10/2010. The Bond may be extended, at the sole option of the Surety, by continuation certificate for additional periods from the expiry date hereof. However, neither: (a) the Surety's decision not to issue a continuation certificate, nor (b) the failure or inability of the Principal to file a replacement bond or other security in the event the Surety exercises its right to not renew this Bond, shall itself constitute a loss to the Oblige recoverable under this Bond or any extension thereof.
2. The above referenced Contract has a term ending _____. Regardless of the number of years this Bond is in force or the number of continuation certificates issued, this Bond shall not be extended beyond _____, unless earlier nonrenewed pursuant to paragraph 1 above.
3. No claim, action, suit or proceeding, except as hereinafter set forth, shall be had or maintained against the Surety on this instrument unless such claim, action, suit or proceeding is brought or instituted upon the Surety within one year from termination or expiration of the bond term.
4. Regardless of the number of years this Bond is in force or the number of continuation certificates issued, the liability of the Surety shall not be cumulative in the amounts from period to period and shall in no event exceed the amount set forth above, or as amended by rider.
5. Any notice, demand, certification or request for payment, made under this Bond shall be made in writing to the Surety at the address specified below. Any demand or request for payment must be made prior to the expiry date of this Bond.
Surety Address: International Fidelity Insurance Company
One Newark Center 20th Floor
Newark, NJ 07102
Attn: Bond Claim
6. If any conflict or inconsistency exists between the Surety's obligations or undertakings as described in this Bond and as described in the underlying Contract, then the terms of this Bond shall prevail.

SIGNED, SEALED, AND DATED this 10th day of July, 2009.

Chromalloy Gas Turbine Corporation

By: _____, Principal

International Fidelity Insurance Company

By:  _____
Jeannette Porini, Attorney-in-Fact

POWER OF ATTORNEY INTERNATIONAL FIDELITY INSURANCE COMPANY

HOME OFFICE: ONE NEWARK CENTER, 20TH FLOOR
NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That INTERNATIONAL FIDELITY INSURANCE COMPANY, a corporation organized and existing laws of the State of New Jersey, and having its principal office in the City of Newark, New Jersey, does hereby constitute and appoint

SUSAN M. RAVID, JEANNETTE PORRINI, ROSALIE A. MORESCO, PATRICIA O'CONNELL,
PAMELA K. RIFE

New York, NY.

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said INTERNATIONAL FIDELITY INSURANCE COMPANY, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of Article 3-Section 3, of the By-Laws adopted by the Board of Directors of INTERNATIONAL FIDELITY INSURANCE COMPANY at a meeting called and held on the 7th day of February, 1974.

The President or any Vice President, Executive Vice President, Secretary or Assistant Secretary, shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and,
- (2) To remove, at any time, any such attorney-in-fact and revoke the authority given.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 29th day of April, 1982 of which the following is a true excerpt:

Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.



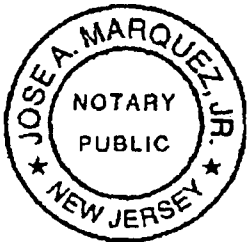
IN TESTIMONY WHEREOF, INTERNATIONAL FIDELITY INSURANCE COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 29th day of August, A.D. 2003.

STATE OF NEW JERSEY
County of Essex

INTERNATIONAL FIDELITY INSURANCE COMPANY

[Signature]
Secretary

On this 29th day of August 2003, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of the INTERNATIONAL FIDELITY INSURANCE COMPANY; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

[Signature]

A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 21, 2010

CERTIFICATION

I, the undersigned officer of INTERNATIONAL FIDELITY INSURANCE COMPANY do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect

IN TESTIMONY WHEREOF, I have hereunto set my hand this 10th day of

July 2009

[Signature]
Assistant Secretary

INTERNATIONAL FIDELITY INSURANCE COMPANY
ONE NEWARK CENTER, 20TH FLOOR, NEWARK, NEW JERSEY 07102-5207

STATEMENT OF ASSETS, LIABILITIES, SURPLUS AND OTHER FUNDS

AT JUNE 30, 2008

ASSETS

Bonds (Amortized Value)	\$94,455,239
Common Stocks (Market Value)	16,240,186
Mortgage Loans on Real Estate	541,000
Cash & Bank Deposits	52,348,198
Short Term Investments	1,143,363
Unpaid Premiums & Assumed Balances	10,282,083
Reinsurance Recoverable from Reinsurers	465,823
Electronic Data Processing Equipment	164,252
Investment Income Due and Accrued	1,254,303
Net Deferred Tax Assets	3,500,000
Other Assets	<u>2,536,796</u>
TOTAL ASSETS	<u>\$182,931,243</u>

LIABILITIES, SURPLUS & OTHER FUNDS

Losses (Reported Losses Net as to Reinsurance Ceded and Incurred But Not Reported Losses)	\$16,250,571
Loss Adjustment Expenses	4,217,397
Contingent Commissions & Other Similar Charges	(752,735)
Other Expenses (Excluding Taxes, Licenses and Fees)	3,158,702
Taxes, Licenses & Fees (Excluding Federal Income Tax)	394,346
Current Federal & Foreign Income Taxes	0
Unearned Premiums	34,627,077
Ceded Reinsurance Premiums Payable	3,658,777
Funds Held by Company under Reinsurance Treaties	5,068
Amounts Withheld by Company for Account of Others	32,151,763
Provisions for Reinsurance	4,350
Other Liabilities	<u>6,333</u>
TOTAL LIABILITIES	<u>\$93,721,649</u>
Common Capital Stock	\$1,500,000
Gross Paid-in & Contributed Surplus	374,600
Surplus Note	16,000,000
Unassigned Funds (Surplus)	<u>71,334,994</u>
Surplus as Regards Policyholders	<u>\$89,209,594</u>
TOTAL LIABILITIES, SURPLUS & OTHER FUNDS	<u>\$182,931,243</u>

I, Francis L. Mitterhoff, President of INTERNATIONAL FIDELITY INSURANCE COMPANY, certify that the foregoing is a fair statement of Assets, Liabilities, Surplus and Other Funds of this Company, at the close of business, June 30, 2008, as reflected by its books and records and as reported in its statement on file with the Insurance Department of the State of New Jersey.



IN TESTIMONY WHEREOF, I have set my hand and affixed the seal of the Company, this 11th day of August, 2008.

INTERNATIONAL FIDELITY INSURANCE COMPANY

A handwritten signature in dark ink, appearing to read "Francis L. Mitterhoff", written over a faint, dotted background.

Sequa Corporation

300 Blaisdell Road
Orangeburg, NY 10962
212-692-2627
646-963-2006 (e-fax)
Michael_Gurrieri@sequa.com

Michael Gurrieri
Director, Insurance

SEQUA

Send UPS Next Day

April 29, 2010

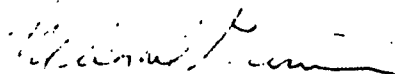
Ann Marie Tinerino c/o
Surety Department
Willis of New York
200 Liberty Street
One World Financial Center
New York, NY 10281

Re: GULFCO Bond # 0494747

Dear Ann Marie,

As per our call this morning, the currant bond is still effective through July 10,2010 & I'm returning the original documents regarding the subject bond and ask that the new extended bond which takes effect July 10,2010-2011 be issued and adjusted from the \$150,000 to \$210,000 per the supporting documents sent to you.

Regards,



Michael Gurrieri

Cc: Ray Merrell . *W/E*